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Volume 13

MILK MARKET INFORMATION BULLETIN

CHATTANOOGA, TENNESSEE MARKETING AREA

March 1969

U.S. DEPT. OF AGRICULTURE
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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411

J. B. McCroskey, Market Administrator

CURRENT SERIAL RECORDS

MARKET SUMMARY - MARCH 1969

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.07 and Excess Milk - \$4.28. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 26 cents and 30 cents respectively above March 1968.

In March 1969, 71.5% of the producer milk received by pool plants was priced in Class I at \$6.56 per cwt. and 28.5% was priced in Class II at \$4.28 per cwt. The March butterfat differential for Class I was 8.0 cents and Class II was 7.6 cents.

Total producer milk received during March 1969 was 23,506,391 pounds which is an increase of 4,997,712 pounds or 27.0% compared with March 1968. Deliveries of producer Base milk exceeded producer milk used in Class I by 4,518,762 pounds or percentage-wise only 78.8% of Base milk was used in Class I. The March daily average deliveries from 611 producers was 1,241 pounds. This compares to 539 farms delivering a daily average of 1,108 pounds per day during March 1968.

SUPPORT PRICE FOR BUTTERFAT AND PURCHASE PRICE FOR DAIRY PRODUCTS

Secretary of Agriculture Clifford M. Hardin announced on April 1 and 2, increases in the support price for butterfat and purchase prices for dairy products. The new support price for butterfat will be 75 percent of the parity price which has increased since a year ago. No change in the support price of manufacturing milk is being announced at this time since it was announced earlier at more than 75 percent of parity. The Agricultural Act of 1949 requires support of prices for milk and butterfat at not less than 75 percent of parity as of the beginning of the marketing year.

"We will keep developments in production, consumption, and price support purchases under continuing review in the months ahead. Meanwhile, as announced last December, the 20-cent increase in Class I fluid milk prices and basic formula floor price for determining Class I prices under most Federal milk orders, in effect during the past year, will be continued," Secretary Hardin said, in making the announcements.

Commodity Credit Corporation's support purchase prices will be increased 1.25 cents per pound for butter and 1 cent per pound for cheddar cheese, in order to carry out the 1969-70 support program. The purchase price of nonfat dry milk is not changed.

In carrying the 1968-69 support, Commodity Credit Corporation acquired about 185 million pounds of butter, 70 million pounds of cheese, and 555 million pounds of nonfat dry milk at a net cost of approximately \$300 million. These purchases removed from the market the equivalent of 4.7 billion pounds of milk-4.2 percent of total farm marketings.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Mar. '69 over Mar. '68	Mar. 1969 18	Feb. 1969 18	Mar. 1968 11
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 27.0	758,271	751,748	597,054
Other Source	+ 97.6	59,934	62,790	30,334
Other Federal Orders	+ 91.2	260,729	268,905	136,378
TOTAL MILK RECEIPTS	+ 41.3	1,078,934	1,083,443	763,766
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 1.4	381,924	395,723	387,294
Skim - Regular	+ 2.6	21,707	21,873	21,150
Skim - 2% Milk	+ 101.3	76,052	73,951	37,785
Buttermilk	+ 8.1	47,045	46,873	43,511
Flavored Milk and Drink	+ 14.2	14,789	14,384	12,952
Creams (Sweet and Sour)	+ 4.7	3,097	3,074	2,957
Sub-Total - Pkg. Products (Pool Plants)	+ 7.7	544,614	555,878	505,649
Other (Shrinkage, Inventory, etc.)		1,365	2,570	124
Sales to Non-Pool Plants		135,035	120,099	45,447
In-Area Sales by Non-Pool Plants		58,341	58,634	5,290
TOTAL CLASS I MILK	+ 32.9	739,355	737,181	556,510
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 6.3	41,549	38,434	44,357
Cottage Cheese	+ 6.9	37,682	37,876	35,251
Powdered and Condensed Milk		15,647	4,892	50,932
Livestock Feed and Milk Dumped		6,930	5,745	6,280
Sub-Total - Used to Produce	- 25.6	101,808	86,947	136,820
Shrinkage Class II		13,668	15,017	10,663
Other (inventory Variation, etc.)		10,289	8,767	16,699
Bulk Sales to Non-Pool Plants		213,814	235,531	43,074
TOTAL CLASS II MILK	+ 63.8	339,579	346,262	207,256
Class I Pkg. Lbs. in Area - Pool Plants	+ 49.4	451,248	462,199	302,017
Class I Pkg. Lbs. Out of Area - Pool Plants	- 54.1	93,366	93,679	203,632
Class I Pkg. Lbs. in Area - Non-Pool Plants		58,341	58,634	5,290
% Producer Milk of Gross Class I		102.6	102.0	107.3
% Producer Milk Priced in Class I		71.5	71.6	77.7

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$ 1090.51(a) Amended</u>	<u>Apr. '69</u>	<u>Mar. '69</u>	<u>Apr. '68</u>
Basic Formula	\$4.33	\$4.33	\$4.05
Plus Class I Differential	1.95	1.95	1.95
Supply-Demand Adjustment	0.28	0.28	0.28
Class I Price, 3.5% Butterfat	\$6.56	\$6.56	\$6.28

APRIL 1969

Supply-Demand Comparison: 2nd and 3rd preceding months: January and February	
Supply: Lbs. Producer Milk (Jan. 22,758,046 and Feb. 21,048,945)	43,806,991
Demand: Lbs. Net Class I Milk (Jan. 23,376,674 and Feb. 18,999,320)	42,375,994
Utilization Percentage: Producer milk divided by Class I	103
Standard Utilization Percentage: Range 117-121	117
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 14
Supply-Demand Adjustment: 2 cents x 14 percentage points	Plus \$0.28

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

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MARCH 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		22,920,004	3.377		
Less Other Source		6,106,531	3.311		
Producer Milk Class I	71.5	16,813,473	3.400446	\$6.480357	\$1,089,573.07
Gross Class II		10,526,943	4.949		
Less Other Source		3,834,025	3.992		
Producer Milk Class II	28.5	6,692,918	5.497632	5.798200	388,068.77
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	23,506,391	3.997572		\$1,477,641.84
Less Fractional Adjustment					.12
Add Value of Overage					857.70
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		308,868			15,743.03
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					9,050.14
TOTAL VALUE AT TEST		23,815,259	3.967402	\$6.312308	\$1,503,292.59
Less Test over 3.5% @ 7.8¢ per point		23,815,259	.467402	0.364574	86,824.24
TOTAL UTILIZATION VALUE AT 3.5%		23,815,259	3.5	\$5.947734	\$1,416,468.35
Less Reserve Per \$1090.71(f)		23,815,259		.047734	
WEIGHTED AVERAGE PRICE - 3.5% TEST		23,815,259		\$5.90	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		308,868		5.90	18,223.21
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		23,506,391	3.5		\$1,398,245.14
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I					
Excess Producer Milk Used in Class II		2,174,156	\$4.28	\$93,053.88	
UNIFORM EXCESS PRICE - 3.5% TEST		2,174,156	\$4.28		\$93,053.88
Total Value of Base Milk		21,332,235	6.118399		1,305,191.26
Less Producer-Settlement Fund Reserve		21,332,235	.048399		10,324.59
UNIFORM BASE PRICE - 3.5% TEST		21,332,235	\$6.07		\$1,294,866.67

MARCH 1969 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 7.8¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$5.68	\$3.89	4.0	\$6.46	\$4.67	5.0	\$7.24	\$5.45
3.05	5.719	3.929	4.05	6.499	4.709	5.05	7.279	5.489
3.1	5.758	3.968	4.1	6.538	4.748	5.1	7.318	5.528
3.15	5.797	4.007	4.15	6.577	4.787	5.15	7.357	5.567
3.2	5.836	4.046	4.2	6.616	4.826	5.2	7.396	5.606
3.25	5.875	4.085	4.25	6.655	4.865	5.25	7.435	5.645
3.3	5.914	4.124	4.3	6.694	4.904	5.3	7.474	5.684
3.35	5.953	4.163	4.35	6.733	4.943	5.35	7.513	5.723
3.4	5.992	4.202	4.4	6.772	4.982	5.4	7.552	5.762
3.45	6.031	4.241	4.45	6.811	5.021	5.45	7.591	5.801
3.5	6.07	4.28	4.5	6.85	5.06	5.5	7.63	5.84
3.55	6.109	4.319	4.55	6.889	5.099	5.55	7.669	5.879
3.6	6.148	4.358	4.6	6.928	5.138	5.6	7.708	5.918
3.65	6.187	4.397	4.65	6.967	5.177	5.65	7.747	5.957
3.7	6.226	4.436	4.7	7.006	5.216	5.7	7.786	5.996
3.75	6.265	4.475	4.75	7.045	5.255	5.75	7.825	6.035
3.8	6.304	4.514	4.8	7.084	5.294	5.8	7.864	6.074
3.85	6.343	4.553	4.85	7.123	5.333	5.85	7.903	6.113
3.9	6.382	4.592	4.9	7.162	5.372	5.9	7.942	6.152
3.95	6.421	4.631	4.95	7.201	5.411	5.95	7.981	6.191

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar.'68	\$5.68 ^{2/}	\$5.81	\$3.98	8.2¢	\$6.20	8.6¢	\$4.02	7.6¢
Apr.	5.67 ^{2/}	5.89	4.14	8.2	6.28	8.6	4.18	7.6
May	5.90 ^{2/}	6.14	4.15	8.2	6.56	8.6	4.19	7.6
June	5.79 ^{2/}	5.96	4.14	8.2	6.44	8.6	4.18	7.6
July	5.97 ^{2/}	6.15	4.14	8.2	6.52	8.6	4.18	7.6
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	6.16	-	-	8.0	6.70	8.0	4.23	7.9
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan.'69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	5.90 ^{2/}	6.07	4.28	7.8	6.56	8.0	4.28	7.6
Apr.	-	-	-	-	6.56	8.0	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92 ^o Butter	Minn/Wisc Mfg. Milk	Chi.Area Powder	Basic Formula ^{4/}	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	¢ Lb.	\$-cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Mar.'68	66.44	4.02	19.49	4.05	463,722	3.48	133,332	5.80
Apr.	66.44	4.18	21.96	4.33	474,081	3.44	179,918	4.95
May	66.44	4.19	22.62	4.33	467,606	3.45	171,375	4.85
June	66.44	4.18	22.54	4.33	432,917	3.40	167,462	4.93
July	66.43	4.18	22.77	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	4.20	22.90	4.33	504,464	3.40	96,996	5.47
Sept.	68.54	4.23	22.91	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	4.28	22.95	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	4.27	22.75	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	4.30	22.73	4.33	526,471	3.52	193,342	5.89
Jan.'69	66.41	4.27	22.95	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	4.23	22.94	4.33	538,299	3.42	213,449	5.65
Mar.	66.39	4.28	23.04	4.33	542,370	3.40	215,901	5.50

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Mar.'68	11	763,766	556,510	539	597,054	553,510	3.99	1,108	1,027	81
Apr.	11	804,063	531,929	536	653,999	574,609	3.85	1,220	1,072	148
May	11	805,968	533,685	535	638,981	563,280	3.82	1,194	1,053	141
June	11	798,670	533,671	537	600,379	546,005	3.82	1,118	1,017	101
July	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	541	601,460	-	3.73	1,112	-	-
Sept.	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan.'69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-
Mar.	18	1,078,934	739,355	611	758,271	688,137	4.00	1,241	1,126	115

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I^{4/} Basic Formula "floor" per Order Amendments